

23 March 2023

9(2)(a)

Tēnā koe 9(2)(a)

## Official Information Act 1982 – HNZ00012236 / OIA2023022401 – Sale of Land at 2/2A Coromandel Street, Newtown

Thank you for your Official Information Act 1982 (the Act) request of 23 February 2023 for information relating to the potential sale of 2/2a Coromandel Street, Newtown. Specifically:

*On 17 May 2018, a public notice indicating potential sale of 2/2A Coromandel Street, Newtown was published in the Dominion Post.*


*We request an overview of steps completed since the date of publication of the notice, and a copy of the most recent decision of the former CCDHB or its successor regarding the matter.*

District Health Boards were disestablished as legal entities on 1 July 2022 and Te Whatu Ora – Health New Zealand (HNZ) was established as a legal entity under the Pae Ora (Healthy Futures) Act 2022. Capital & Coast and Hutt Valley District Health Boards are now one district known as Capital, Coast and Hutt Valley District. Both locations share information, staff, many services and a single Interim Lead – Hospital and Specialist Services.

The most recent and only decision made by the former Capital & Coast District Health Board (CCDHB) was dated 3 November 2017. The Board Decision paper and minutes are attached for your information. Details of the sale price have been withheld under section 9(2)(b)(ii) of the Act, to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who is the subject of the information.

The Board Decision paper essentially allowed management as follows:

- To declare its intention to dispose of the properties if all mandated processes and consultation were satisfactorily concluded; and
- Management will report to the Board on progress and seek final Board approval for disposal.



Following this Decision being passed, Property advised internal stakeholders of this and arranged for the 'public notification of intention to dispose' to be advertised in the Dominion Post on 17 May 2018.

The internal stakeholders consisted of relevant CCDHB staff based at Ewart Hospital, licensees in the area which included Southside Kids Creche, Menzshed and Nurse Maude.

Consultation was also undertaken with the Port Nicholson Block Settlement Trust but not fully concluded. Representatives of Port Nicholson wanted to discuss the matter but did not pursue further discussions when approached.

On 1 March 2019, confirmation from Wellington City Council's Heritage team that the properties were listed in the District Plan as heritage buildings was obtained. Furthermore, the Heritage team confirmed that the properties were listed as 'category II Historic place' by Heritage New Zealand Pouhere Taonga.

The properties were also subject to a seismic notice from the Wellington City Council which required the then-CCDHB to undertake fall protection works around the property. These works were completed in the second half of 2022.

In December 2018, master site planning was initiated jointly by the CCDHB and the Hutt Valley District Health Board. The purpose of the master site planning process is as follows:

- Assessing the condition and capabilities of CCDHB's current infrastructure.
- Developing a master plan envelope which aligns with immediate priority solutions with possibilities of site expansion.


In essence, the process's aim is to determine how HNZ will use its existing sites now and into the future, responding to the age and state of assets as well as service demand.

Due to this master planning exercise, completing all steps of the consultation process and reporting back to the Board to seek final approval to dispose of the properties was put on hold.

It is important to note that the master planning process has been delayed due to the pandemic and health reform and completion of the process will be subject to regional planning and the new HNZ operating model.

Due to the time that has passed, if the master planning concludes that the properties are surplus to HNZ's requirements, consultation will need to be undertaken again and then management will be in a position to present a Board paper to the new Board and recommend that the properties be declared surplus. If the properties are deemed to be surplus to HNZ's requirements, note that as we are a Crown agency, we will be required to undertake consultation under the Public Works Act 1981. Although consultation under this legislation has not yet been undertaken, we did have one Government agency approach us to declare an interest in the properties – Obviously this has not been pursued due to the master planning process.

If you have any questions, you can contact us at [hnzOIA@health.govt.nz](mailto:hnzOIA@health.govt.nz).



If you are not happy with this response, you have the right to make a complaint to the Ombudsman. Information about how to do this is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or by phoning 0800 802 602.

As this information may be of interest to other members of the public. HNZ may proactively release a copy of this response on our website. All requester data including your name and contact details, will be removed prior to release. The released response will be made available on our website.

Nāku iti noa, nā



**Jamie Duncan**

**Interim Lead – Hospital and Specialist Services**

**Capital, Coast and Hutt Valley**

**TeWhatuOra.govt.nz**

Capital, Coast | Private Bag 7902, Newtown, Wellington 6342 | 04 385 5999  
Hutt Valley | Private Bag 31907, Lower Hutt 5010 | 04 566 6999

**Te Kāwanatanga o Aotearoa**  
New Zealand Government

 <b>Capital &amp; Coast</b> District Health Board ŪPOKO KI TE URU HAUORA		<b>BOARD DECISION</b>
		<b>Date:</b> 3 November 2017
<b>Author</b>	Phil Butter, Project Advisor Property & Asset Management, Corporate Services	
<b>Endorsed by</b>	Thomas Davis, General Manager, Corporate Services Debbie Chin, Chief Executive Officer	
<b>Subject</b>	<b>DISPOSAL OF 2 &amp; 2A COROMANDEL STREET, NEWTOWN, WELLINGTON</b>	
<b>RECOMMENDATIONS</b>		
It is <b>recommended</b> that the Board:		
<ul style="list-style-type: none"> <li>a) <b>Note</b> the poor utilisation of the Coromandel Street properties and the current valuation</li> <li>b) <b>Declare</b> its intention to dispose of 2 &amp; 2A Coromandel Street if all mandated processes and consultation are satisfactorily concluded</li> <li>c) <b>Endorse</b> management progressing all mandated processes and procedures to ensure the eventual disposal</li> <li>d) <b>Note</b> that management will report to the Board on progress and seek final Board approval for disposal.</li> </ul>		
<b>APPENDIX</b>		
1. Aerial view of properties and location map.		

## 1. PURPOSE

The purpose of this memorandum is to seek Board approval in principle to initiate a process to dispose of CCDHB owned buildings and their associated land located at 2 & 2A Coromandel Street, Newtown, Wellington.

## 2. BACKGROUND

The Board, following the workshop on our long term investment plan and master site plan agreed that management should report to the Board on any properties that could be disposed of. This is request for a formal decision.

This property consists of two large adjacent land holdings adjoining the Wellington Town Belt in the inner Wellington suburb of Newtown. It is situated in an elevated residential setting approximately 750m east of the main Wellington Hospital Campus.

The improvements on 2 Coromandel Street comprise the heritage listed former Ewart Hospital Nurses Home (also known as Parkview Clinic) which is vacant, a records/archives building which is leased by way of a Licence to the Menzshed, as well as a building occupied by Southside Kids Childcare Centre, a statutory tenant.

2A Coromandel Street has the Ewart Building which is currently used by CCDHB as a Community Services Delivery Hub (CDS). (Note it also has a Statutory Licencee "Nurse Maude" who provide nursing, homecare and support so that people can remain in their own homes).

The former nurses home (Parkview) has a 5% NBS Importance level 2 (IL2) initial Seismic Evaluation. The records/archive building has been assessed at 151% NBS IL2, with the Childcare centre at 99% IL2. The Ewart building has been assessed at 65% IL3.

The land upon which the buildings sit was part of a large section of land proclaimed by the Crown as a reserve for public purposes in 1841. The land as it is today was vested in the Wellington Hospital Contributors for the purposes of a "Hospital for Infectious Diseases" in 1908.

The properties have been recently valued (12 May 2017) based on several valuation approaches.

**Scenario one:** Sell each title separately based on underlying land value

2 Coromandel St	9(2)(b)(ii)	plus GST, if any
2A Coromandel St		plus GST, if any
Total		plus GST, if any

**Scenario two:** Sell both titles together based on underlying land value 9(2)(b)(ii) plus GST, if any.

If the properties were rezoned from Inner Residential to either Business 1 or "Centre" there may be an opportunity to increase the valuation and the sale price accordingly.

The current rateable capital values are:

2 Coromandel St	\$880,000
2A Coromandel St	\$4,220,000
Total	<b>\$5,100,000</b>

The current book value of the land and buildings is 9(2)(b)(ii)

## 2.1 Previous Board Discussions/Decisions

At the Long Term Investment Plan (LTIP) workshop held 30<sup>th</sup> August 2017 it was proposed that these properties were surplus to requirements and not incorporated in the master site planning so had been identified for disposal. The action agreed at the workshop was the preparation of a paper proposing their disposal.

## 3. DISCUSSION

Preliminary legal advice from Greenwood Roche concludes that:

- While the properties are "Public work Land" clearance from LINZ under section 40 (Disposal to former owner of land not required for public work) and 41 (Disposal of former Maori land no longer required) of the Public Works Act might be given on the basis that there may be no former owners of the properties, and, as a result of the significant changes to the character of the properties resulting from its development since acquisition by the Crown in 1841.
- If LINZ give clearance then the actions required to achieve the sale of the properties are:
  - 1 Obtain a revocation of the reserve status under section 24 of the Reserve's Act; this would include the consent of the Minister of Conservation
  - 2 Obtain the consent of the Minister of Health required under Clause 43 of Schedule 3 of the NZPHDA

- 3 Agree with Council whether any public walking tracks crossing the properties should be protected by easement.; and
- 4 Comply with the Right of First Refusal process or obtain a waiver under the Port Nicholson Block Settlement Trust Act.

Disposal of these properties will require the DHB to find alternative space for our existing staff currently in the Ewart Building. The new children's hospital will cater for CDS with other occupants potentially located in GNB when the children's out patients vacate to the new children's hospital.

There are two options to manage the timing of the disposal;

1. proceed to sell the properties then enter into a lease with the new owners for Ewart until the new Children's Hospital is ready; or
2. have the settlement date post completion and occupancy of the new children's Hospital.

The land around the buildings has approximately 50 car parks which upon sale will be lost from the DHB's total parking capacity and the demand for these will move to the main campus.

The heritage status on Parkview does not create any issues within the sale disposal process.

#### 4. NEXT STEPS

Following the declaration by the Board of its intent to declare the property being surplus to the DHB's requirements the next steps would be:

- Discuss with Land Information New Zealand (LINZ) which of the below steps can be undertaken by LINZ under a Relationship Agreement (MoU)
- If required by LINZ, instruct a property professional who is a "LINZ accredited supplier" to assist on the disposal process. The accredited supplier should undertake investigations to consider former owners and likely PWA offer back obligations – these investigations can be completed while the DHB consults with DOC, HNZ and the Council
- Discuss with Port Nicholson Block Settlement Trust – there is a Crown expectation of early engagement so the Port Nicholson Block Settlement Trust is aware of a possible upcoming RFR offer
- Notify the Department of Conservation (DOC) of the proposed intention to sell to determine whether DOC would include a marginal strip notation on the titles to the properties.
- Ask DOC to confirm whether, in DOC's view, any conservation values are present on the properties, which would assist in satisfying the Values Protection Policy, and ask DOC to confirm whether separate public notice will be needed to revoke the "Health Sector Reserve" status if the Minister of Health has approved the revocation under section 24(6) of the Reserves Act 1977
- Give notice to Housing New Zealand to enable HNZ to consider if the land would be suitable for State Housing
- Consult with Council whether any public walking tracks crossing the properties should be protected by easement and whether the Council wishes to purchase the properties for recreation/heritage/public works purposes
- If the DHB is aware that another government entity (apart from DOC, HNZ and the Council) might want to purchase the properties for a public work, consult with that government entity about a possible transfer
- Supply LINZ Crown Property Centre of Expertise with all relevant information

- Following LINZ preliminary due diligence agree on the indicative disposal budget with LINZ unless LINZ agree that clearance can be given under section 40 and 41 of the Public Works Act (PWA)
- Enter into a Relationship Agreement (MoU) with LINZ to enable the commencement of the disposal process
- Seek Ministerial approval in accordance with the “Guidelines for DHB Disposal of Land” issued by the Ministry of Health Dec 2010. This requires the DHB to advertise its intention to dispose of the property and note any public response accordingly, and quantify expected proceeds (include in Annual Planning) and its intended use. Ministerial approval can be given subject to the DHB complying with its statutory sale obligations (e.g. PWA and RFR)
- Seek approval of the Minister of Health to the revocation of the “Health Sector Reserve” status to allow sale under the PWA, under the RFR or under a market sale. (This could be requested at the same time as the Ministerial approval to sale.)
- Obtain the agreement of the Minister of Conservation to the revocation of the “Health Sector Reserve” status. The Minister of Conservation can revoke this status without following the standard reserve revocation process if the Minister of Health has approved the revocation (DOC to advise whether separate public notice will be required)
- If required by LINZ, supply LINZ with a report and recommendation from the LINZ accredited supplier which contains all relevant information and requests that either the properties be cleared of section 40 PWA offer back obligations or an offer to the former owners (or their successors) be made
- If there is a section 40 PWA offer back obligation, make the offer and await acceptance or non-acceptance within 40 working days
- Investigate whether there is any significant financial advantage (increase in sale value) in approaching Council with a rezoning application to change the land use from Inner Residential to either Business 1 or “Centre”
- Offer the property for sale to the Port Nicholson Block Settlement Trust under the Right of First Refusal provision in its Treaty settlement
- If the Port Nicholson Block Settlement Trust does not accept the offer within 1 month, then sell the properties on the open market.

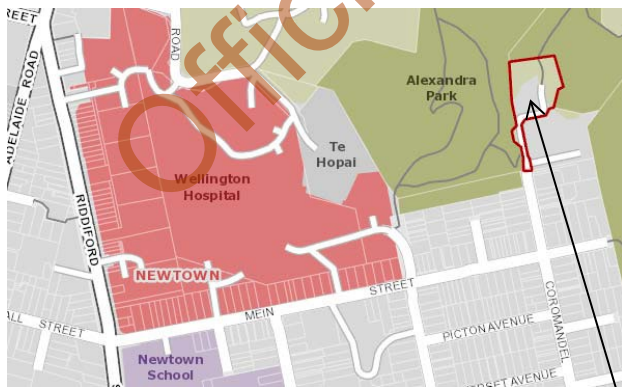
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Appendix 1

Aerial view of properties and location map



Ewart Building



Subject



**Item 2.1.2 Coromandel Street**

The paper was taken as **read**.

The Board:

- a) **Noted** the poor utilisation of the Coromandel Street properties and the current valuation
- b) **Declared** its intention to dispose of 2 & 2A Coromandel Street if all mandated processes and consultation are satisfactorily concluded
- c) **Endorsed** management progressing all mandated processes and procedures to ensure the eventual disposal
- d) **Noted** that management will report to the Board on progress and seek final Board approval for disposal.

**Moved:** Fran Wilde

**Seconded:** Darrin Sykes **CARRIED**

**Abstain:** E Brown; S Kedgley

**Against:** R Jarrold

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